

OPD-133-78
RAP-E058-78
24 January 1978

ED - GD
D/ODP - DM

MEMORANDUM FOR: Chief, Procurement Division/OL
FROM : Chief, Special Projects Staff/ODP
STATINTL SUBJECT : [REDACTED] Project Termination

1. The following points summarize our discussion on this subject over the past week:

- a) If you can terminate this contract with a total cost to the Government (monies already paid included) of \$1,550,000 or less, then I am satisfied that we have the best of a bad situation.
- b) If the cost increases by a significant amount (15%) then we should re-evaluate whether the cost and risk of suing the contractor for full restitution and re-procurement is in the Government's best interests. (i.e., the cost of losing would approach the cost of winning.)
- c) The cost of hardware vs. software vs. technical effort is not relevant within the stated amount and detailed negotiation of the auditor's numbers is inappropriate.

STATINTL

cc: D/ODP ✓
D/OL

ODP Registry

STATSPEC

STATINTL

23 Jan 78)